

From: Victoria Nowlan

Sent: Tuesday, October 08, 2019 8:40 AM

To: Teresa Hadjipetrou <THadjipetrou@pbcgov.org>

Cc: Ed Chase <echase@pbcgov.org>; rebecca <rdelarosa@pbcgov.org>

Subject: Alert: Area Agency on Aging Palm Beach/Treasure Coast

Please see below from Dwight Chenette

The purpose of this email is to alert you of a matter that will be reported on in the Palm Beach Post in the next week. The goal is to be transparent on the issues surrounding this situation. The Area Agency on Aging Palm Beach/Treasure Coast is facing serious financial challenges due to mismanagement of financial matters by former leadership.

The recently discovered financial challenges are attributed to a cumulative impact of inappropriate decision-making and a lack of proper financial oversight and planning. This is an isolated issue which affects only the Area Agency on Aging in region 9 and includes the following counties; Palm Beach, Martin, St. Lucie, Okeechobee, and Indian River. The Agency has taken immediate steps to investigate and remedy this situation to regain financial stability and accountability.

- While the financial matters are serious, there has not been any disruption or delay of services to the elderly or disabled populations being served.
- The Area Agency on Aging Palm Beach/ Treasure Coast has a known deficit of more than \$2.2M. The largest unpaid obligation of \$1.7M is owed to the Palm Beach County Division of Senior Services (a lead agency in Palm Beach County) for services

rendered under the Alzheimer's Disease Initiative, Community Care for the Elderly, Home Care for the Elderly and the Older Americans Act. The \$1.7M represents 120 days of services for which the funding is not available due to the Agency using the funding for other Agency purposes outside of the authorized scope of the funding.

- The Agency has a \$450K fully extended line of credit with a bank.
- As a result of this situation, the Agency has experienced a loss of local match funding of \$500K.
- The leadership of the Agency (CEO and CFO) have been separated from the company. A new CEO has been appointed who is taking ownership of the errors that occurred at the Agency and is charged with the responsibility to develop a recovery plan. The new CEO, Dwight D. Chenette, MPH, MBA has local experience with non-profit management, financial restructuring and administering programs funded by the state and federal government.
- Several actions have been taken to date to reform the Agency's financial management and internal controls. These include changes in leadership, governance practices, reduced administrative expense, discontinuance of certain financial policies and engagement of the Inspector General/Department of Financial Services to perform a forensic audit.
- Once audits are complete, there will be additional reporting on responsibility and causes of the financial problems.
- The Area Agency on Aging Palm Beach/Treasure Coast is committed to restoring the public trust, fulfilling its financial

obligations and delivering services to seniors and individuals with disabilities without interruption.

· The aging network in Florida is strong and well managed. The Area Agencies on Aging around the state have a 50-year exemplary history of serving Florida seniors and individuals with disabilities.

If I can be of any assistance to further explain the issues or the actions being taken to rectify the issues, please contact me at (561) 684-5885.

Dwight Chenette
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